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Liberalism Made Right

CLASSICAL LIBERALISM: THE UNVANQUISHED IDEAL
David Conway
St. Martin's Press, 1995, ix + 150 pgs.

David Conway stands in resolute opposition to most contemporary Anglo-American political philosophers. Conway defends—vigorously and effectively—the classical liberal ideal of a society of people free to lead their lives without the coercive tutelage of the state. In contrast to "modern" liberals, who have perverted the classical doctrine into its opposite, Conway holds that personal freedom most definitely includes the right to own property. A free society rests on a free market.

In taking this view, Conway confronts some of the giants of modern philosophy, not least among them John Rawls and Alasdair MacIntyre. He sets forward the major objections to classical liberalism advanced by these supposed master figures and proceeds to dispatch them.

Before he dissects the doctrines of particular thinkers, Conway discusses an argument against the free market which has won wide favor. Granted that people

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have a right to freedom, must not the liberty to acquire and use property be tempered with state provision of welfare? Otherwise, those without resources face starvation. "By refusing to countenance welfare rights, classical liberalism is widely thought to fail to accommodate the needs and interests of those who, through no fault of their own, are destitute and unable to provide for themselves" (p. 20).

Conway handles this argument in a way that Mises would have approved. Like Mises, Conway asks: will interference with the market achieve the goals its advocates profess? The legal enactment of a "right" to welfare does not by itself put bread on the table of the destitute; why cannot a free-market order provide for the poor through private charity? If the market works better than its rivals in all other spheres, why not here?

But, it will be replied, this leaves the objection unmet. Even if the market provides adequately for the poor, it extends no *right* to relief: the poor are left to the mercies of charity. Is this not unjust?

Conway meets this objection head on. Unless you have caused someone else's poverty, you are *not* responsible for his plight: he thus has no right to seize your property. Mere "need," absent an account of how the need arose, generates no rights. To this, however, our author allows one exception: "a liberal polity is justified in compelling the natural parents of a child to provide for it, until such time as the child becomes capable of providing for itself, or else a third party voluntarily assumes responsibility for it instead of its parents" (p. 22).

Readers may be inclined to quarrel with one or two details of Conway's analysis. (His statement that a newborn left to die is worse off than had it never been conceived strikes me as ungrounded.) But, on the main point, his case cannot be gainsaid: people, regardless of how badly off they are, have no right to the labor or property of others.

Those sympathetic to the free market may find the foregoing the merest commonplace; but it is precisely here that Conway finds himself opposed by the most influential writers in his field. Let us begin at the top: the single most dominant moral philosopher of our times, John Rawls, denies that people have an unrestricted right to what they have voluntarily produced and exchanged. What you obtain on the free market depends, to

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a great extent, on what you do not deserve. Those born to rich or well-connected parents, or with abilities that place them far above average, have a much better chance of success than those less favored. Since you do not deserve your "natural assets," Rawls holds that they may be taken from you in order to fulfill the terms of his notorious "difference principle." Under it, inequalities are allowed only if they benefit the least well-off class.

Conway disposes of MacIntyre's assault on classical liberalism in short order.

Conway's response takes hold of a crucial point that most critics of Rawls have missed. In their fascination with details of Rawls's theory, such as the "original position" and the "veil of ignorance," commentators have overlooked a simple point. Rawls maintains that his theory fits ordinary morality. To Rawls, it is unfair, in the common usage of that term, that some, through "accidental" causes, have vastly more than others. (This alleged unfairness is, if anything, even more prominent in the work of Rawls's student Thomas Nagel, whom Conway also insightfully discusses.)

Rawls's case, to reiterate, depends in large part not on an arcane theory, but on a simple moral intuition. "Rawls remarks 'intuitively, the most obvious injustice of the system of natural liberty is that it permits distributive shares to be improperly influenced by . . . factors so arbitrary from a moral point of view,' (p. 29, quoting Rawls, *A Theory of Justice*).

Conway, following Robert Nozick, locates an elementary fallacy in Rawls's contention. Our author agrees that you do not deserve your parents or your abilities: You have not acquired these owing to your own virtue. But it does not follow from this that you deserve *not* to have them, or that the state may legitimately take them from you. "It is clear from what Rawls writes that there is only one sort of difference between individuals which morally justifies their enjoying different life-prospects. This is differences in degree of merit or desert" (p. 30). Absent this assumption, Rawls's theory collapses.

Conway pursues with great ingenuity the variants of egalitarianism defended by other influential moral philosophers: the aforementioned Thomas Nagel, Ronald Dworkin, Kai Nielsen, and Ted Honderich. But once the essence of his criticism of Rawls has been grasped, the rest is but a mopping-up operation that need not be described in detail here. Rather, let us turn to another of our author's battles in defense of the market. For Alasdair MacIntyre, whose *After Virtue* (1981) has been vastly influential, Rawls's criticism of the market does not go deep enough.

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Classical liberalism, as MacIntyre sees it, has undermined the basis of morality. Today, on issues such as abortion and economic justice, opinions clash in irreconcilable conflict. The dispute between Rawls and Conway, MacIntyre might say, illustrates his thesis. Each philosopher argues cogently from a given premise: Rawls from the value of equality, and Conway from that of liberty. If you accept the premise, the philosopher's conclusion follows; but no argument will be of use should you reject the starting point.

What has brought about this battle of opposed value judgments? For MacIntyre, the culprit is liberalism. Unlike the societies of classical Greece and Christendom in the Middle Ages, people under liberalism share no sense of a common good. Instead, each person devotes himself to his own selfish concerns. Lacking a sense of the common good, people cannot be virtuous. Those engaged in the pursuit of a goal in common will value certain habits that enable them to pursue their projects.

Laborers on a medieval cathedral, e.g., will come to value the exercise of careful workmanship. From such goods internal to a practice, as MacIntyre calls them, the virtues develop: without them, the virtues cannot exist. Through acquiring the virtues, in turn, people may weave their lives into a narrative unity. This unity can be achieved not in isolation, but only in common pursuit of a tradition.

The market does not stand in the way of devotion to the common good: the rise of emotivism and subjectivism in ethics cannot be attributed to it.

In this brief account of MacIntyre, I have labored under a handicap. The main points of his system strike me as unintelligible; and I fear that I have been unable to convey the sense, let alone the appeal, of his views. All the more remarkable, then, is Conway's ability to give a clear account of this difficult writer. I can only urge those baffled by MacIntyre to study closely Conway's account (pp. 65–100).

But what of MacIntyre's assault on classical liberalism? Conway disposes of it in short order. Nothing in a free-market order precludes goods internal to a practice, or any other of MacIntyre's paraphernalia, from coming into existence. If indeed they are essential to the growth of virtue, the free market does not stand in their way. Neither does the market stand in the way of devotion to the common good: the rise of emotivism and subjectivism in ethics, whatever

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their failings, cannot be attributed to it. The classical liberal freedoms, to the contrary, offer a framework within which moral action can take place.

Put briefly, Conway contends that MacIntyre's account of morality, even if correct, leaves classical liberalism untouched. It by no means is the case, though, that Conway himself accepts MacIntyre's account. In particular, he is concerned to challenge MacIntyre's claim that virtue can develop only in communities with internal goods.

Conway's exceptionally well-organized defense of classical liberalism is well worth the attention of all students of political theory.

To the contrary, Conway replies, someone has reason to develop habits of virtue, entirely aside from the communities that MacIntyre stresses. Virtues such as courage and temperance aid people to achieve a happy life; hence they have reason to acquire them. Conway's Aristotelian account of virtue closely resembles that of Philippa Foot. (See especially her collection, *Virtues and Vices*.)

At one point, I venture to suggest, the case against MacIntyre can be extended. Does MacIntyre himself avoid the subjectivism about which he waxes indignant? It seems to me that he does not. Let us return to MacIntyre's starting point, the breakdown that results when conflicting moral premises prevent consensus.

MacIntyre does not attempt to settle conflicts of this sort. Quite the contrary, his point is that they *cannot* be settled. What he seeks, rather, is a group of people all of whom share the same values. But then he has not escaped at all from subjectivism: he has instead replaced individual subjectivism with a collective variety of the same malady.

Conway has sent MacIntyre packing; but his defense of classical liberalism is not yet complete. The English political philosopher John Gray, once an ardent classical liberal, has in part recanted. Like MacIntyre, Gray stresses the existence of irresolvable conflicts of value. But for Gray, this is not a situation to be remedied. Following Isaiah Berlin, Gray holds that values are necessarily diverse and conflicting. If so, how can a classical liberal (or an advocate of any other political system) hold that everyone ought to adopt his favored set of values? Classical liberalism, with its stress on freedom, becomes but one of many valuable political orders.

Conway's strategy of response resembles his reaction to MacIntyre. Even if Gray's account of value is true, a classical liberal regime can

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accommodate it. Each of the various forms of attaining a flourishing life could exist within a liberal society, for all Gray and Berlin have shown to the contrary. Our author pursues Gray in relentless detail; but since I discuss Gray's views elsewhere in this issue, I shall for now leave it at that.

Suffice it to say that Conway's exceptionally well-organized defense of classical liberalism is well worth the attention of all students of political theory. The author's exceptional knowledge of the history of philosophy greatly enhances the book's value: how many authors, e.g., would think to quote Franz Brentano on the dangers of compulsory beneficence (pp. 47–48)? ❖

The Limits of Pluralism

ISAIAH BERLIN
John Gray
Princeton University Press, 1996,
viii + 189 pgs.

The intellectual historian Isaiah Berlin has achieved great renown for essays that range from the analysis of liberty to memoirs of Russian poets. But if John Gray is correct, Sir Isaiah has been grossly underrated: he ranks with the foremost political philosophers of all time. Like John the Baptist, though of a different person, our author asks: "Are you he who is to come? Or do we wait for another?"

Those devoted to classical liberalism must pay close attention to Gray's claim for Berlin, since if he is right, the foundations of their system lie in ruins. Not that some other regime—market socialism, perhaps, or the Green Conservatism that Gray in a recent book himself professes—has been shown to be better than classical liberalism. Rather, no system may claim universal primacy. Values are locked in conflict, and the good inevitably is plural. No political system, including, of course, classical liberalism, embodies perfection.

The essence of Berlin's view of values, as Gray presents it, may be stated simply. Human beings have no fixed nature: they are in large part self-creators. Competing forms of valuable life, which cannot be simultaneously realized, attract them. The same person, e.g., cannot be a nun like Mother Teresa and a "free-floating intellectual" in the style of Karl Mannheim.

How then, does one choose among competing values? No criterion is at hand. Contrary to Bentham, we cannot always put competing values into a common scale to determine which is superior. Frequently, values prove incommensurable. Following Joseph Raz, an Oxford legal philosopher by whom he has been much influenced, Gray characterizes incommensurability in this way: "'Two valuable options are

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incommensurable if (1) neither is better than the other, and (2) there is (or could be) another option which is better than one but is not better than the other'" (p. 50, quoting Raz).

This, I fear, will appear a typical piece of philosopher's jargon; but an example may help. Suppose that you cannot say that Joe DiMaggio is either a better or worse athlete than Joe Namath. But, it is possible that Babe Ruth is better than DiMaggio without being better than Namath. If you accept these suppositions, then DiMaggio and Namath have incommensurable value as athletes. (We shall see later why so much fuss about stating this is needed.)

Plato's notion of the good has nothing whatever to do with whether all good things can be together realized.

Given, then, a situation with incommensurable values, one must simply choose. As Berlin puts it: "In a sense I am an existentialist—that's to say I commit myself, or find that I am in fact committed, to constellations of certain values" (p. 159, quoting Berlin; footnote number omitted).

But does not this espousal of groundless choice enmesh one inextricably in moral relativism? Not at all, Gray contends. The position is not that the chooser determines by his own caprice what has value: rather, each of the incommensurable options really is valuable. "Berlin's ethical theory is a species, not of relativism or skepticism, but of *objective pluralism*" (p. 46).

The relevance of Berlin's position for classical liberalism should now be clear. Classical liberals can no longer judge competing regimes as inferior, since they may embody competing, incommensurable values. "What does follow from the truth of pluralism is that liberal institutions can have no universal authority" (p. 155). Those who find congenial the classical liberal emphasis on liberty are free to espouse an "agonistic liberalism" for themselves; but that is all.

The position so far advanced seems to me groundless at every step. It is, first of all, no doubt true that no form of life can include every type of value. According to Gray, Berlin, following in the footsteps of Machiavelli, Vico, and Herder, has revolutionized moral philosophy by realizing this: "In the Platonic conception of the Form of the Good, . . . [it] is affirmed . . . that all genuine goods are not only compatible with one another. . . but that they somehow entail or imply one another. The same idea, more moderately expressed, is found in the Aristotelian ideas of the Mean and of the unity of the virtues" (p. 39).

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Not at all! Plato's metaphysics, fortunately, very far exceeds the limits of *The Mises Review*; suffice it to say that Plato's notion has nothing whatever to do with whether all good things can be together realized. Even more odd is the ascription of such a position to Aristotle because of his doctrine of the unity of the virtues. To say, e.g., that an unjust man cannot really be courageous has no bearing on whether someone can perfectly realize both the active and contemplative life at the same time. Who exactly *did* say that a perfect life includes all forms of value?

Gray fails utterly to overthrow the rival position, instead tossing it aside as less "interesting" than pluralism of Berlin's kind.

But, Gray might reply, even if this objection is correct, Berlin's case stands. Whether he is right about what others have advocated, he has overthrown the idea of the perfect or highest life. In fact, though, he has not done so. Someone who contends that there is a perfect life, or a highest good, need not think that some form of life includes all values. Rather, his position is that some value outranks all others. Arguably, Aristotle thought this of a life of contemplation. (See Book X of the *Nicomachean Ethics*.)

And if this is the position, what has Gray to say against it? So far as I can see, nothing at all. He, or Berlin speaking through him, just dismisses views of this sort out of hand: "It is a feature of the Christian tradition," he writes, "that however tragic may be the moral and practical dilemmas we face in mortal life, they are all in principle soluble by reference to the will of God; and the ideas of deity and perfection are conjoined" (p. 42). Gray writes as if this position were self-evidently false but advances nothing against it. It will hardly do to dismiss all hierarchical schemes as outmoded and then triumphantly proclaim the victory of pluralism. By that method, one could "prove" any thesis by asserting without argument that a rival view is false.

But let us grant Gray his premise and make no appeal to metaphysical systems. (No doubt readers will now breathe a sigh of relief.) Has it been shown that values of a kind essential to classical liberalism are incommensurable? I do not think that it has.

Undeniably, values conflict. Suppose, e.g., that a law requires that welfare benefits be given to the poor. Here the values of helping the poor and having the right to dispose of one's own income conflict. But how does it follow from the *fact* of conflict that the conflict cannot be resolved?

Gray recognizes that he must prove

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his case. Very pertinently, he notes: "'[V]ersions of value pluralism can be stated . . . which accept that the goods of life are many, that they are often uncombinable and sometimes constitutively so, but which deny their rational incomparability' (p. 47). Someone with a view of this sort might say, e.g., that freedom and aid to the poor are conflicting values; but that freedom outranks its competitor. How, then, does Gray deal with this position? Unless he gives reasons to reject it, he cannot move from value conflict to incomparability.

The use of the term "incommensurable" subtly begs the issue in favor of Berlin's position.

He fails utterly to overthrow the rival position, instead tossing it aside as less "interesting" than pluralism of Berlin's kind. He suggests at one point that it is "given in our experience" that values are incomparable; but I do not see how this can be so. At most experience can disclose that we cannot settle a conflict of values: how can it possibly show that the conflict is irresolvable?

Further, the use of the term "incommensurable" subtly begs the issue in favor of Berlin's position. Someone who thinks that values can be ranked—who denies the irreconcilable conflict thesis—need not hold that values can be measured on a common scale. One can think, e.g., that freedom outranks equality, without thinking that freedom contains more of some common unit of value than does equality.

Indeed, the intuitionists, a nowadays neglected group of British moral philosophers, who flourished from the 1920s to the 1940s, took exactly this view; and I venture to suggest that these thinkers, who included W.D. Ross and H.A. Prichard, were very much sounder than Berlin. Gray refers to them, but surprisingly classifies Hastings Rashdall, a utilitarian opposed to intuitionism, as one of them.

And we can take one step further. Even an arch-utilitarian, who thinks that all values can be measured on a single scale, need fear nothing from value conflict. (Think of a Chicago economist with his "utiles.") Why cannot he say that a value conflict is an instance of choice between roughly equal values? Gray, alert to this objection, has sought to guard against it by the complicated definition of incommensurability discussed earlier. The tricky provision that something could outrank one value but not the other was meant to block the response I have suggested.

But the utilitarian can I think reply that the trick provision is just that: unlike conflicts of value, *it* is not given

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in experience but is just a philosopher's construct. Indeed, Gray himself gives an account of incommensurability of evils that fails to meet Raz's definition but *does* accord with the utilitarian counter I have suggested (pp. 56–57). (I apologize if the last few paragraphs have been too technical and shall try in future to keep myself under better control.)

Gray has made very large claims for Berlin's philosophical significance which he has not sustained.

Let us, though, make yet another concession here. Suppose that one grants Gray his objective value pluralism. Values are many and diverse; and they often are impossible to rank against one another. Does it follow that a classical liberal who accepts this must agree with Gray that his political system is not universally required?

No, it does not. A moral theory need not be a quest to maximize value. Rather, it can, at least in part, consist of a set of rules always to be observed. Suppose, e.g., that one holds that people have property rights of a Lockean sort. What now happens if we once more confront a law that mandates provision of welfare? A Lockean need not say that the value of adhering to property rights always outweighs the value of welfare. The values, he may admit, incommensurably conflict; but, for all that, his moral system incorporates a fixed rule against violating property rights. Gray and Berlin acknowledge that there is a common core to morality that holds universally: why cannot a classical liberal argue that his principles form part of that core?

Gray has once more anticipated the objection, but his reply is unconvincing. He mentions the view that "principles of justice or liberty are not substantive goods to be traded off against other goods, but regulative principles, principles of right which set the terms on which competing goods and conceptions of the good can be pursued" (p. 146).

In reply, Gray claims that this view underestimates the force of Berlin's value pluralism. The incommensurability thesis applies with full force to the principles of liberty and justice that the classical liberal supports. "Further, these competing elements in liberal political morality will express values that are beyond rational comparison" (p. 147).

But what if they do? To take this as a refutation of the position suggested is to beg the question. The proposal, recall, is *not* that certain classical liberal values outweigh all competing values. It is that there are fixed rules that mandate (or more likely forbid) certain conduct. Whether other liberal freedoms express competing values is

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not here to the point: the system does not operate through ranking values.

And what if the classical liberal accepted the sum and substance of Berlin's position? Would he have to admit that his system is not universally required? Here our answer is mixed. He could not say that his system expresses values superior to all others. But he could, with entire consistency, say that his system was as good as any other and, accordingly, work for his view's universal adoption. Why not? It is the system that he prefers.

Further, in several places Gray's presentation of Berlin misses the mark. The discussion of Berlin's criticism of positive freedom should mention the doctrine of the "real self" and tie this in with the views of Bradley and Bosanquet (pp. 21 ff). The analysis of Joseph de Maistre (pp. 23 ff) overstresses Berlin's agreement with him and does not mention that Berlin takes him to be a precursor of fascism. More generally, Gray exaggerates Berlin's opposition to the Enlightenment.

But the problems of this stimulating book do not lie principally in detail. The difficulty rather is this: Gray has made very large claims for Berlin's philosophical significance which he has not sustained.[1] ❖

[1]Those interested in further discussion of Berlin should look at the penetrating discussion of him by Murray Rothbard in *The Ethics of Liberty* (Atlantic Highlands, N.J.: Humanities Press, 1983).

Can the State Speak for All?

BEFORE RESORTING TO POLITICS
Anthony de Jasay
Edward Elgar, 1996, 71 pgs.

Anthony de Jasay's short book contains more good sense about political theory than many treatises of enormously greater length. (One thinks, in this connection, of the most overrated book of modern moral philosophy, Rawls's *A Theory of Justice.*)

De Jasay locates a fundamental flaw in most justifications of political action. Measures of state intervention (e.g. welfare legislation, redistributive taxation, tariffs) are supported in view of the beneficial consequences they are imagined to have. But many values cannot be compared with one another. "Between the good and the bad consequences, where neither is either greater or smaller than or equal to the other, no balance can be struck, and consequentialist reasoning is simply out of place" (p. 9).

In particular, the utilities of different persons are incomparable. This fact will hardly be news to those conversant with economics, but the implications of the point have rarely been pursued with such rigor. Given the inability to compare utilities interpersonally, consequentalist reasoning goes effectively by the board.

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But what then can replace it? To our author, the collapse of consequentialism "releases and activates the basic presumption against coercion. . . . Accepting, and acting on, this presumption also presupposes a value judgment, but it is one that demands far less of our moral credulity than any consequentialist alternative I can think of" (p. 12).

De Jasay's comment manifests his characteristic approach. He is a moral minimalist: absent information about values that we cannot obtain, we ought to assume as little as possible. A simple rule against coercion is much to be preferred to a complicated estimate of utility. De Jasay's reasoning here parallels that of Murray Rothbard's great essay, "Toward a Reconstruction of Utility and Welfare Economics."

De Jasay's remarkable ability to clarify basic issues arouses my admiration and jealousy.

With his liking for simplicity, our author's verdict on Robert Nozick's "solemn symbolism" justification for politics can readily be predicted. Nozick, author of the libertarian classic *Anarchy, State, and Utopia* (1974) stunned readers of *The Examined Life* (1989) by a sharp change of opinion. Previously, Nozick had opposed the welfare state: compulsory taxation to benefit the poor, he held, is a type of forced labor. In his new book, Nozick shifted completely. By compulsory provision of welfare, a society could express its "symbolic commitment" to the value of aid to the less fortunate.

True enough, taxation for welfare violates property rights. But those unwilling to contribute, were they allowed freely to abstain, would prevent society from symbolizing, as a united body, its commitment to the poor. Property rights, to Nozick, cease to be absolute; their value must be balanced against the competing value of symbolic expression.

De Jasay's opinion of the new departure is less than enthusiastic: "Even if all this is meant seriously . . . it does not amount to much of a ground for putting welfare on an involuntary basis, especially as Nozick is prepared to concede that just as much and as good may be accomplished voluntarily . . . The single voice rarely sounds and the uniform conduct rarely comes about by itself" (p. 60).

De Jasay's objection, then, is that the unity Nozick advocates ought not to be valued at all: what good is it for society to speak, by means of coercion, with a "single voice"? Is de Jasay right to reject Nozick's view in so uncompromising a way?

Certainly Nozick's concept opens the door to danger. Why could not a communist regime "justify" itself by claiming that dissent threatened the unified expression of commitment to

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communism? What is so special about symbolic commitment to welfare? Clearly Nozick owes us an account of the conditions under which symbolic commitment overrides classical liberal rights. And why cannot a classical liberal society claim that the absence in it of compulsory taxation symbolizes its commitment to freedom?

Again and again, de Jasay has illuminating things to say about important issues, e.g., the fallacies of Bruce Ackerman's "neutral dialogue" (pp. 62–65); and the justification for the initial acquisition of property (pp. 42 ff). On only one point do I think that de Jasay's views require modification.

He defines coercion as "an intentional act by A, whether actual or threatened, whose effect is so to change B's set of feasible alternatives as to make his chosen alternative different from what A presumed B's alternative to be. Successful coercion must make B act otherwise than A thought he had intended to act" (p. 26).

This definition appears open to counterexamples. Suppose that I think, correctly, that you are about to exit the room. I like using force, so I twist your arm and push you out. Have I not coerced you, even though I did not make your chosen alternative different? You would have departed anyway, and I knew this. And suppose I offer to buy something from you. If I think you otherwise would not give me the item, does my successful bid coerce you? The definition seems to require that it does.

Fortunately, this problem does not affect the substance of de Jasay's argument. The author's remarkable ability to clarify basic issues arouses my admiration and (I regret to say) jealousy. ❖

The Book of Vices

HIDDEN ORDER: THE ECONOMICS OF EVERYDAY LIFE
David Friedman
Harper Business, 1996, xi + 340 pgs.

This book starts to derail around Chapter 15. Before then, the work provides a largely sound elementary account of economic principles. Our author writes from a neoclassical, rather than an Austrian perspective; and Austrian readers will find it revealing to compare Friedman's approach with their own. But of this more later.

In the fateful chapter, Friedman confronts a key issue. Economics is a descriptive science; but popular interest in economic issues centers on matters of practice. Are minimum wages good or bad? What should the government do in a depression? Should we redistribute income to the poor? However much the economist might wish to devote himself to

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Edgeworth boxes or the reswitching controversy, policy questions require his attention.

But precisely here a problem arises. On questions of value, the economist, as such, has nothing to say. He can tell you how to achieve various economic goals, or whether your policy will have the results you anticipate; but he cannot settle questions of what ought, or ought not, to be the case. Not, I hasten to add, because questions of value have no correct answers. That view is a philosophical doctrine (in my opinion a wrong one) that cannot be assumed as given. Rather, questions of value belong to philosophy and stand outside the economist's expertise.

Friedman thinks that moral arguments, if not firmly wedded to efficiency, quickly dissolve into conflicts that cannot be resolved.

At one place, Friedman appears to grasp this basic point. After discussing (with considerable subtlety) the argument that the market distributes income fairly, he comments: "Fortunately, determining what is just is one of the problems that is not part of economics. Yet." (p. 199).

But our self-described economic imperialist cannot leave it at that. He thinks that economics can define a concept, efficiency, "that is an important part of what I suspect most of you mean by 'good'" (p. 217). As soon becomes apparent, he uses his notion of efficiency to preempt much of the job of ordinary morality.

He does not profess ethical subjectivism; if I am not mistaken, he has elsewhere rejected it. But he thinks that moral arguments, if not firmly wedded to efficiency, quickly dissolve into conflicts that cannot be resolved. Efficiency, at any rate, is a crucial component of a rational approach to ethics.

What then is efficiency, as Friedman conceives it? To understand it, we had best take a page from Austrian economics and adopt a "round-about method of production." Friedman's account of efficiency, as he notes, differs from the way most neoclassical economists explain the concept; and an account of the more conventional view will enable us to grasp Friedman's departure more readily.

Conventional economists hope to avoid the need for controversial ethical judgments in this way: Suppose some change makes at least one person better off, and no one worse off. Then, salvation is at hand: while making no interpersonal comparisons of utility we can nevertheless say an improvement has taken place. But improvements of this kind, called Pareto superior moves, are few and

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far between. Usually every change will make someone worse off; and, if so, the Pareto criterion cannot be used.

Why not, then, weaken the rule? Suppose a change would make some better off and others worse off; but the winners could compensate the losers. Is not this change without doubt good? Not at all. As Friedman notes: "What is wrong with the potential-Pareto approach [the view just described] is that it is used to argue for changes that are not going to be combined with side payments . . . and are thus not going to be actual Pareto improvements. It thus presents the pretense of avoiding interpersonal comparisons while actually recommending policies that make some people better off and others worse off" (p. 222).

Friedman has not offered the slightest reason to think that efficiency, in his sense, is a good at all, let alone an important part of what we mean by good.

Our author has thus set himself a difficult task. He recognizes the limitations, if not outright failure, of the conventional Pareto approach. Nevertheless, he proposes not to give up: he does not wish to abandon questions of good and bad to the philosophers. What, then, is his solution?

His answer has at least the virtue of simplicity. We count up the dollar gains and losses of a proposal, and adopt it if a net gain will ensue. More specifically, Friedman's plan makes use of the concepts of consumer's and producer's surplus, which he has been at pains earlier in the book to explain.

Suppose Mr. Friedman sells a copy of his book for $25.00; but, so anxious is he to spread his version of secular salvation that he would have paid the reader $5.00 to take a copy. Then, his producer's surplus is $30.00. If the reader turns out to be an ardent Friedmanite who would have paid $500.00 for the book, then his consumer surplus is $475.00. Given the concept of surplus, we can state the policymaker's task simply: maximize total surplus. Or, as Marx phrased it: "Accumulate, accumulate! that is Moses and the Prophets!"

Oddly enough, this proposal falls victim to exactly the same difficulty that besets the potential-Pareto rule. The gains and losses go to different people: how, then, can an economist judge whether "society" is better off? Further, estimates in dollars of gains and losses cannot be taken as measures of utility, since the utility of money may differ from person to person.

Friedman recognizes these problems with his standard. Another, which he does not state in this context, is

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this: what group is it whose surplus is to be taken into account? A nation? The world? As our author elsewhere notes, a policy can sometimes benefit one country without producing any gain for the world's economy. In a discussion of tariffs, he sums up: "So if the United States is a price searcher in international markets, the outcome without tariffs is efficient if all interests are considered but inefficient if only American interests are" (p. 287).

And if our goal is to maximize total surplus, should we not encourage a large population increase? The more people, the more potential gains in surplus. (Of course, externalities also have to be taken into account.) Or are we supposed to be maximizing surplus over a constant population? Friedman does not tell us. (Problems of this kind for utilitarianism have been studied by Derek Parfit, in his *Reasons and Persons*.)

But the problems Friedman recognizes himself are quite enough. He has not offered the slightest reason to think that efficiency, in his sense, is a good at all, let alone an important part of what we mean by good. Why should anyone be concerned with maximizing dollar surplus for some arbitrarily selected group? Sometimes ethics requires sacrifices of self-interest; but why should anyone faced with a loss care morally at all about surplus of the Friedmanite kind?

Friedman's efforts to cope with the difficulties strike me as grossly inadequate. He knows full well "the obvious argument against treating people as if they all had the same utility from a dollar. They don't" (p. 219). But, like Alfred Marshall, the English economist who devised the definition of improvements he favors, he hopes the differences in utility will, given a large enough group of people, somehow "cancel out." In similar fashion, though some people may lose from each Marshall "improvement," we shall probably benefit everyone given enough such changes.

Besides, Friedman asks, what better criterion is there? The alternative to his jerry-built structure "seems to be intuition: One thinks about a change and decides whether it is, on the whole, good, or bad" (p. 225). And surely here lies ruin. No one can calculate the consequences of a measure for the thousands who may be affected. However theoretically impure the Marshall improvement notion, it is the best we have.

Friedman's cavalier reference to moral intuition manifests his apparently complete lack of acquaintance with moral philosophy other than the economistic sort he peddles. Has it ever occurred to our author that some moral theories do *not* depend on guesses as to the consequences of a measure for people's happiness? Whatever happened to non-utilitarian rights?

Friedman would be entitled to dismiss competing theories of the good as relying on arbitrary intuition or as vague, only after a thorough study of these accounts. Absent this, he is a layman writing of areas beyond his

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ken. He bemoans the fact that non-experts, such as his father-in-law, presume to differ with him about economics; but he has no hesitation in passing judgment on "most of what we mean" by the good.

The author's blinkered treatment of morality manifests a wider failing, present throughout the book. In a way that Austrians will approve, Friedman characterizes the theme of economics as "the implications, especially the non-obvious implications, of the fact that humans act rationally" (p. 3). But in order to "get anywhere," Friedman thinks, we must assume that people have simple motives.

Friedman warns against a fallacy of "naive price theory," but it appears that he falls victim to the fallacy himself.

"Simple," apparently, means "readily graspable by Mr. Friedman"; and to our author, nearly all rational behavior reduces to the pursuit of cash. He himself notes that "[m]oney is no more the only thing with value than yardsticks are the only thing with length" (p. 219), but it soon transpires that the warning is *pro forma*. Indeed, the very sentence following the warning is: "Life, health, wisdom, all have value—provided someone is willing to give up money to get them." How reassuring!

The extent of Friedman's reductionism at times is staggering. Thus he can, with apparent seriousness, inquire why theft ought to be prevented. "From the standpoint of economic efficiency, it is not immediately obvious why. Theft appears to be merely a transfer; I lose $100 and the thief gains $100" (p. 306). Our author's explanation of theft's inefficiency will no doubt delight Judge Richard Posner; but the notion of the wrongness of the approach becomes even more apparent in Chapter 21, "The Economics of Love and Marriage"; but, to prevent accusations of caricature, I shall pass it by in silence.

When the author manages to stick to economics he is generally much better. Austrian readers will balk at some details: he allows negative time preference, uses indifference curves, and considers Smith, Ricardo, and Marshall the founders of modern economics. But he often explains matters with clarity, insight, and wit: his account of why owners of movie theaters charge high prices for popcorn is ingenious.

Yet even within his own specialty, not all is well. Friedman makes great play over the fact that economic analysis may have surprising implications. And one of his surprises is this: "You have just bought a house. A month later, the price of houses goes down. Are you worse off (your house is worth less) or better off (prices are

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lower)? Most people reply that you are worse off . . . It seems obvious that if a rise in the price of housing makes you better off, then a fall must make you worse off" (p. 34).

Mr. Friedman has a surprise. You are better off, even if the price of housing goes down, since you may now sell your house and buy a larger one. His diagram proves it: the price change enables you to land on a higher indifference curve (p. 35)! Unfortunately, our author has taken housing purely as a consumption good. For many people, a house is an important asset; and if its value falls, one has in a perfectly ordinary sense of the word in fact been made worse off.

Friedman manifests his apparent lack of acquaintance with moral philosophy other than the economistic sort he peddles.

No doubt Friedman is right that, given the change, his diagram shows how you may improve your position from what it would otherwise have been. But it does not follow from this that you are on the whole better off. Our author elsewhere warns against a fallacy of "naive price theory," in which one wrongly assumes that whatever is a problem has not been specified to change remains the same (p. 21). It appears that Friedman, in assuming away the change in net worth caused by the price drop, falls victim to the fallacy himself.

And this is not the only questionable point. Does the fact that muggers prey on old ladies rather than football players suffice to show that they are nothing but "rational businessmen" (p. 299)? What if they enjoy terrorizing people weaker than themselves?

Friedman offers (p. 286) a "verbal proof" that under specified conditions, "American tariffs on net injure Americans" (p. 286). But his verbal proof fails to show this (though his mathematical proof does). He here shows only that a tariff cannot improve an efficient outcome. But he has not shown that only one outcome is efficient; absent a showing of uniqueness, he has not proved that a tariff must worsen things.

Whatever its failings, the book nevertheless is useful for showing the mind of a Chicago School epigone. Let us leave him as he contemplates "the hostility to money, especially in personal interactions, which seems typical of our society. Consider, for example, the number of men who would think it entirely proper to take a woman to an expensive restaurant in the hope of return benefits later in the evening, but would never dream of offering her money for the

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same objective" (p. 331). I know, I know: I said I wouldn't quote from Chapter 21. But this was too much to resist. ❖

Tea For One

A PROPENSITY TO SELF-SUBVERSION
Albert D. Hirschman
Harvard University Press, 1995, viii + 262 pgs.

Albert Hirschman is hard to pin down. No sooner does he offer a theory than he thinks of a qualification to it. He has achieved great fame for his portrayal of "exit" and "voice" as competing forces; but in the present work he tells us they can act together. How does one review someone with a "propensity to self-subversion"?

Fortunately, a solid anchor awaits our grasp. Hirschman, though not a Marxist, has a deep aversion to free-market capitalism. From his teenage years, his intermittently charming memoirs reveal, he has been involved with socialist parties and causes.

But in his desire to criticize the free market, he faces a dilemma. He resolutely opposes large-scale theories and has a well-deserved reputation as an institutionalist. It would go thoroughly against the grain for him to address directly, say, the socialist calculation argument of Mises and Hayek: What then is he to do?

In fairness to our author, he does not at all accept that he is anti-theoretical. He states: "I bristle a bit when I am pigeonholed as 'atheoretical' or 'antitheoretical' or even as 'institutional' and cannot wholly agree when I am portrayed . . . as someone who is primarily interested in noticing and underlining what more systematic minded (theoretical) economists or social scientists have overlooked" (p. 87, footnote number omitted). But, whatever he thinks, he *is* anti-theoretical and our question demands an answer: how do you attack the free market if you avoid theory?

Hirschman gives his answer in *The Rhetoric of Reaction—Two Years Later.* Instead of a response to free market arguments, he offered in his earlier book, and here reaffirms, an elaborate classification of types of argument advanced against "progressive" measures. Conservatives claim that leftist proposals will fail to achieve the ends their proponents intend: to the contrary, they will have perverse effects. Another response claims that the leftist measures are futile: e.g., schemes aimed at helping the poor in fact principally benefit the rich and middle classes. Again, conservatives contend that new reform measures expose past gains, e.g., in liberty, to danger (the "jeopardy thesis").

It is not clear why Hirschman thinks that this classification somehow tells

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against the foes of "progress"; but I do not presume to plumb the depths of his capacious intellect. Suffice it to say that the main point of Hirschman's polemic is that these arguments have been used again and again. If conservatives always trot them out, must we not suspect that the arguments are not altogether advanced in the cause of truth?

Even if Hirschman's account of the "rhetoric of reaction" were entirely accurate, nothing would follow about the soundness of particular arguments advanced against the left. As he himself admits: "As critics of my book have not failed to remark, the mere finding that reform proposals have indeed been attacked with the help of one (or several) of my typical 'rhetorical' arguments by no means constitutes in and of itself a refutation of what is being argued" (p. 50). Is it not amazing that a scholar of Hirschman's eminence needed to have critics point this out to him?

One must, however, give Hirschman credit, he has shown that an economist who spurns theory can do very well for himself.

But what of the rhetorical analysis, taken on its own terms? Here our verdict must without question be negative. According to the perversity thesis, reformers mean well but their proposals have opposite effects to what they want. As a prime example, Hirschman in his earlier book cited Edmund Burke's *Reflections on the Revolution in France* (1790).

But he completely misinterpreted the book. Burke did *not* claim, as the perversity thesis would have it, that the French Revolution achieved the opposite of the good ideas its founders wanted. Quite the contrary, as a glance at the book's publication date should have told Hirschman, Burke opposed the Revolution from the first. He did *not* condemn it for failure to achieve its initial goals: he thought those goals destructive and believed the Revolution *had* achieved them.

The error about Burke illustrates a more general failing of Hirschman's treatment. He ignores another "rhetorical strategy" of free-market advocates and conservatives, the contention that leftist measures are immoral. To deal with this view, Hirschman would have to engage in argument instead of classification: and this is not his style.

The whole "rhetorical analysis" is peculiar in the extreme. His three theses—perversity, futility, and jeopardy—are all cases in which conservatives allege that measures they oppose will not achieve their ends. But, unless you argue that the aims of a proposal are flawed, that is virtually the only way you *can* oppose it. Almost any

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argument opposed to any proposal will take this form, so long as the aims of the proposal themselves are not subject to attack. Hirschman, against his initial plan, devoted the last chapter of *The Rhetoric of Reaction* to an analysis of certain leftist rhetoric, leaving some of his critics confounded. But they should not have been. Hirschman has merely come up with a scheme of classification that applies everywhere.

As one roams more widely in the book, the same pattern appears: Hirschman substitutes classification and historical description for analysis. A good example occurs in the book's third part, "New Forays" (the book's first part, which includes the *Rhetoric of Reaction* essay, discusses modifications Hirschman has made to various of his conjectures; the second part is autobiographical).

Several of the essays in "New Forays" address economic development, one of Hirschman's main areas of concentration. He has in his long career vigorously supported state directed industrialization in various Latin American countries. How does he respond to the obvious objection that these measures interfere with the international division of labor?

In this way: "[T]he international neoclassical establishment castigated 'inward-oriented' industrial development for causing misallocation of resources, balance-of-payments problems, and 'rent-seeking'" (p. 164). A good beginning: our author has stated tersely the standard criticisms. Unless one is already familiar with Hirschman's *modus operandi*, one might expect him next to reply to these criticisms.

Of course he does not do so: that would demand argument. Far better a conjecture: "No one [our author is too modest] asked whether the assorted problems of import-substituting industrialization were conceivably growing pains that might be overcome in due course by adroit, incremental policy-making" (p. 164). Instead of a theory, Hirschman gives us a metaphor supported by a tendentious narrative.

One must, however, give Hirschman credit. Like J.K. Galbraith, he has shown that an economist who spurns theory can do very well for himself. Hirschman has accumulated a remarkable number of honorary degrees and awards, a fact he is ever at pains to remind us. His book might better have been called *A Propensity to Self-Celebration*. ❖

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The Other Side of Lachmann

EXPECTATIONS AND THE MEANING OF INSTITUTIONS: ESSAYS IN ECONOMICS
Ludwig Lachmann
Edited by Don Lavoie
Routledge, 1994, viii + 331 pgs.

In past issues of *The Mises Review*, I have sometimes criticized Don Lavoie in harsh terms: in fact, some of what I have said about him has been quite horrid. On this occasion, I am happy in part to redress the balance. Lavoie has performed a genuine service in bringing together twenty-one essays by Ludwig Lachmann, written over a span of some fifty-five years.

The collection reveals Lachmann's considerable strengths, as well as what seem to me some more questionable elements. Lachmann comes forward at his best in "Austrian Economics Under Fire: The Hayek-Sraffa Duel in Retrospect." Here Lachmann applies to good use his considerable knowledge of the history of economics.

The influence of Friedrich Hayek at the London School of Economics was rudely interrupted, if not permanently frustrated, by Piero Sraffa's savage review of Hayek's *Prices and Production* in the *Economic Journal* for March 1932. Sraffa seemed to score some devastating blows against Hayek; but his own standpoint was obscure. He declined Hayek's request to specify that standpoint, holding that Hayek's confusions made this unnecessary.

In fact, Lachmann points out, Sraffa rejected the "subjectivist revolution" in the explanation of value; he wished instead to return to the views of Ricardo. Had Sraffa's real agenda been generally known, his criticisms of Hayek might have had less effect, since few of his contemporaries would have heeded the call, "Back to Ricardo."

How did Lachmann arrive at his important insight? There runs throughout his long career, like the proverbial red thread in the ropes of the British Navy, a concern, almost an obsession, with the nature of equilibrium. It is this concern, I suggest, that enabled him to detect Sraffa's hidden assumptions: "For Sraffa real-world market prices are determined by supply and demand. But behind them, as a centre of gravity, there lies the equilibrium position. Equilibrium prices are determined by the objective, partly technical, conditions of production and distribution, while demand determines equilibrium quantities of goods produced" (p. 162).

Here concern with equilibrium led Lachmann to a penetrating dissection of an episode in the history of thought; but the results were not always so fortunate. Unlike Mises, Lachmann took a radically restricted view of the ability of the market to coordinate production.

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In markets with a "steady flow of supply," adjustment readily takes place. "Variable stocks are held, but as a matter of convenience, and their size depends on the flow. For good reasons all participants take the flow as their main point of orientation" (p. 271).

But in markets where large stocks of goods are held and the flow is not constant, difficulties arise. Speculative markets, with no constant pattern of supply and demand, cannot readily be gauged. "In such markets every transaction is a departure for the unknown, but buyers and sellers depart in different directions" (p. 272). Where speculative markets are concerned, the market is *not* a discovery procedure. "One can discover only that which is, not that which might—or might not—be" (p. 273). (Incidentally, Lachmann's first published article made use of the stock-flow distinction.)

The constant repetition of the phrase "the future is unknowable" does not suffice for a proof.

This is not the place for an analysis of Lachmann's claim; but *prima facie*, his argument appears vulnerable at one point. Granted that it is harder to anticipate future prices in a "speculative" market than one with goods in constant flow, how does it follow that this *cannot* be done? Why will the market not bring to the fore, through the usual process of selection, entrepreneurs who can cope with speculative conditions?

In his excellent "The Flow of Legislation and the Permanence of the Legal Order," Lachmann himself seems to acknowledge the point just made. He criticizes a German law of 1976 under which workers received places on the supervisory boards of industrial corporations. The law, he contends, ignores a basic fact: "the Stock Exchange 'monitors' the performance of managers. Brokers, investment analysts and others devote time and effort to this purpose. The daily fluctuations of market prices reflect continuously the results of this activity by specialists. The shareholder watches these prices and draws his conclusions" (p. 256). Perhaps speculative markets need *not* always be a venture into the unknown! Unfortunately, this passage is not elsewhere followed up.

Lachmann was certainly no Keynesian, but his stress upon the problems of speculative markets led him at times to quasi-Keynesian conclusions. It "became obvious" during the Great Depression "that pessimistic expectations may not only prevent recovery when its other conditions are present, but actually set in motion multiplier processes of contraction" (p. 245).

Professor Lavoie is no doubt right that Lachmann did not think "economic reality completely chaotic,"

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much less deny the existence of a real world altogether (p. 2). But he *does* emphasize disequilibrium much more than other Austrians, owing to his view of speculative markets.

But this of course raises a new question. Why was his view about speculative markets so oriented toward the limits of knowledge? I suggest that Lachmann was in the grip of a dubious philosophical view. As he says over and over: "The future is unknowable—though not unimaginable." This philosophical dogma, hardening his skepticism about anticipation in speculation markets, then led him to a complete rejection of equilibrium.

But why did Lachmann think that the future is unknowable? What exactly is the argument that shows this? Perhaps Lachmann believed that G.L.S. Shackle, upon whom he lavishes praise numerous times in the book, had found the argument; but, if so, I do not know what it is supposed to be. Professor Lavoie, or one of Lachmann's other admirers, would do us all a great favor if he would make the argument explicit. Set it out on paper so that we can have a look at it. The constant repetition of the phrase "the future is unknowable" does not suffice for a proof. ❖

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Kempianism in Cyberspace

WHAT COMES NEXT: THE END OF BIG GOVERNMENT AND THE NEW PARADIGM AHEAD
James P. Pinkerton
Hyperion, 1995, xi + 404 pgs.

At times in this strange book, Mr. Pinkerton sounds like an advocate of the free market; fortunately, he really is not. "Fortunately," because our author has an anti-Midas Touch. Whatever he touches he leaves in confusion. Far better to have him on the other side.

Our claim that Pinkerton opposes the free market may at first elicit surprise. Is not a principal theme of the book the failings of bureaucracy, and the far superior performance of the market? Pinkerton goes so far as to rely on Mises and Hayek for support. "The central tenet of Austrian economics . . . holds that bureaucratic decision making must fail because it cannot know all relevant information" (p. 65).

I would not have put it exactly like this myself, but only a rigid ideologue would quibble over our author's wording. Does he not deserve praise? And the passage is no isolated instance. Elsewhere he lauds Mises's attack on statolatry, "worship of the State" (p. 54). How then can I possibly think of Pinkerton as an opponent of the market? Surely such luminaries as William

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Weld and Arianna Huffington are right to see him as a crusader for freedom! (Never mind whether *they* are for the market.)

Matters are not what they seem. Pinkerton does indeed grasp that the market far outstrips bureaucracy in getting the job done; but he sees in this fact a great danger. Unless government comes to the rescue, the rich will retreat to private fortresses while the poor suffer in squalor. Owing to the prominence of computers in the "cyber-economy," private companies of worldwide scope have become able effectively to challenge governments. The small size and elusiveness of their products render them impossible to control, and vast fortunes have created a new elite.

I lack the stomach to describe Pinkerton's Big Offer in the detail it merits; perhaps it is best characterized as Jack Kemp gone psychedelic.

Therein lies the peril. "[M]arket forces will redistribute the rich to distant—and defensible—hills and hollows across the planet. The rich have their quick silver capitalism, enabling them to buy their way out of bureaucracy" (p. 75). The poor, in large part made destitute because computers have driven them out of work, will live in fear of violent crime. With resources sucked away by the rich, nothing but a "second-tier" government remains to protect them.

What is to be done? asked Lenin; and Pinkerton proves an apt pupil. The cure is *not* to eliminate bureaucracy altogether; that would place us, in the way just described, in the hands of the rich. Quite the contrary; the solution to the problem of bureaucracy is better bureaucracy.

What we need, specifically, is this: "the creation of a post-*perestroika* class of civil servants, what we might call Samurai bureaucrats. These would be select guardians of the Commonweal, named after the elite defenders of Imperial Japan" (p. 288). Evidently, our author has latched onto one of H.G. Wells's more morbid fantasies. And the parallel with Lenin's "vanguard party of the proletariat" will not have escaped the alert reader.

Pinkerton's band of Happy Warriors have their work cut out for them. To prevent the poor from falling into the dire fate he has mapped out, they must be "empowered." I lack the stomach to describe Pinkerton's Big Offer in the detail it merits; it is perhaps best characterized as Jack Kemp gone psychedelic. (Kemp, by the way, thinks well of the book.)

One proposal will have to suffice. Pinkerton calls for a revived Civilian

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Conservation Corps. If the cyber-economy drives people out of work, Uncle Sam is here to help: "The New CCC would not be forced labor; it would offer meaningful jobs . . . it might be organized as a military unit without weapons—but with ranks, uniforms, honor, loyalty, and the inculcation of civic and patriotic virtues" (pp 315–16). Somehow, I doubt that Mises would have given Pinkerton high marks for understanding his theory of bureaucracy.

But I must be fair to our author. (Not that I am ever unfair to any author.) He does call for the elimination of many government programs, such as agricultural subsidies to rich farmers; and he rightly assails the Supreme Court for vesting welfare recipients with a "right" to their benefits. In the book's best section, Pinkerton traces the ruling to the "new property" theory of Charles Reich (pp. 105ff).

Pinkerton's standard of argument is appallingly bad; and he can only damage whatever cause he embraces.

For Pinkerton, though, the cuts are designed to enable government to control us more efficiently. In a Pinkertonian world, the powers-that-be will tell us how much of our incomes we may spend. He wants a "progressive consumption tax." "Such a tax could be made as progressive as the current income tax or more so" (p. 262).

Why, though, is it a good thing that Pinkerton is so poor a Misesian? To reiterate, his standard of argument is appallingly bad; and he can only damage whatever cause he embraces. His picture of a future unregulated by government rests in large part on the Cyberpunk Novels of William Gibson and Neal Stephenson, not to mention the movie *Blade Runner*. These evidently qualify as hard data in the New Paradigm.

And this raises another matter. Pinkerton makes a great to do about the need for a changed paradigm, telling us how much he has been influenced by Thomas Kuhn's *The Structure of Scientific Revolutions*. But he manages to get the book's thesis exactly wrong. Kuhn did *not* contend that "new paradigms become accepted because they win if they work" (p. 6). His claim is that there is no theory-neutral criterion for progress in sciences. Our author likes to dress up his work with erudite references; but his inability to understand what he cites does not impress. (By the way, Hegel did not write a work called *Philosophy of Right and Law* [p. 53].)

As if this were not enough, the book is written in a style that at best bears a passing resemblance to English. If "Peter Piper picked a peck of pickled peppers," strikes you as well written, you will enjoy the book. Otherwise, why bother? ❖

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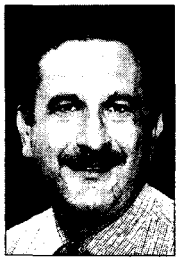

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